

**3<sup>rd</sup> REVISED COMMISSIONER TOVAR PROPOSED AMENDMENT NO. 1**DATE PREPARED: May 17, 2022COMPANY: Arizona Public Service Company: 2022 RES  
Implementation PlanDOCKET NO.: E-01345A-21-0240 OPEN MEETING DATE: May 17 & 18, 2022

Purpose: An estimated 77% of households are ineligible for rooftop solar due to low credit scores, shading, roof condition or configuration, or because they live in an apartment or rent their home. This excludes many low-and-middle income ratepayers from direct participation in the clean energy economy.

Community solar allows customers the opportunity to subscribe to a portion of a shared off-site solar array and receive direct benefits on monthly bills in a similar manner as an on-site rooftop system. The larger "community scale" of projects interconnected to the local distribution grid also allows for economies of scale typically not possible on rooftops while potentially capturing many of the benefits of locally produced power such as reduced line loss and utilization of existing infrastructure without transmission construction.

This amendment sets the starting point for the creation of a nation-leading community solar program for APS customers and initiates a collaborative working group to assess the attributes of the program listed below, and to assist Staff in its preparation of a recommendation.

**Page 10, Line 9,****ADD:**

"IT IS FURTHER ORDERED, in the docket, "In the Matter of Establishing a Commission Policy for the Development and Integration of Competitive Community Solar and Community Energy Storage Projects in Arizona," E-00000A-22-0013 ('Generic Community Solar Docket'), that Staff and Arizona Public Service Company shall organize a community solar working group to capture best practices from around the country, establish the mechanics, implementation, and operational details of an APS community solar program, and assist Staff as it prepares a recommendation for Commission consideration. Working group participants should include, but are not limited to:

- ACC Staff
- RUCO
- Coalition for Community Solar Access
- Wildfire

**THIS AMENDMENT:**☐ Passed ☐ Passed as amended by \_\_\_\_\_☐ Failed ☐ Not Offered ☐ Withdrawn

ACC - Docket Control - Received 5/18/2022 12:43 PM

ACC - Docket Control - Docketed 5/18/2022 12:59 PM

- An invitation to participate in the workgroup shall also be extended to all electric public service corporations and Salt River Project.

The working group shall meet at least every other week, or as needed, beginning the first full week of June 2022. APS shall submit a proposal for implementation to the Commission in advance of a Staff proposed order. The Staff proposed order shall be voted upon in the Generic Community Solar Docket no later than the November 2022 Open Meeting to be effective within six months of Commission approval of the proposal for implementation.

IT IS FURTHER ORDERED that the working group and Staff should consider the following attributes as a starting point in its design of the APS community solar program:

- Program design may utilize lessons learned from other successful community solar programs, such as the Minnesota (Xcel Energy) community solar program, and designed to attract long-term private sector investment.
- Participating customers should be limited to residential, low-income, non-profit (including faith-based organizations), schools, municipalities, extra small commercial, and small commercial customer classes.
- A priority for low-income customer participation with a carveout for a specific percentage of capacity reserved to serve low-income customers and include suggested methodologies to minimize the burden of income verification.
- Direct bill offsets may be considered for subscribers to produce savings in a structure substantially similar to that offered to rooftop solar customers, eliminating the need for incentives. The value proposition for subscribers should be similar to those participating in onsite generation.
- Third party development, financing, construction, ownership, and operation of community projects.
- APS and third-party operators' responsibility for retail subscriber maintenance, consolidated subscriber billing, and ongoing customer-service support. Before commercial operation, the working group may consider a reasonable timeframe to achieve project subscription, after which any remaining power may be purchased by APS at a rate determined by the working group. The working group may consider a similar process for maintaining subscriptions during operation. APS and third-party project operators may be allowed to pursue subscribers independently.
- APS and third-party operators must comply with all applicable state and federal consumer protection laws. The workgroup may consider a succinct standard disclosure form to accompany all customer-facing contracts.
- The working group may consider the inclusion of battery storage coupled with solar in the program design.
- Consideration of third-party community wind projects, as applicable and under the same guidelines outlined above.
- A publicly available APS "hosting capacity map" GIS webpage containing an easy-to-understand ranking system for each applicable distribution line or circuit, directing third

**THIS AMENDMENT:**

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party developers to interconnection locations that maximize value for APS and the entire electric system, addressing cost shifts. The hosting capacity map should enable streamlined project interconnection review, with shorter queues and minimal fees, especially for projects interconnected to higher value distribution lines. Design of the hosting capacity map may allow for possible future application in the deployment of other Distributed Energy Resources by individuals, third parties, or aggregators within the proposed Distributed Demand Side Resource Aggregation tariff or otherwise.

- Project enrollment into the program may be considered based on a first-come, first-served basis, after projects meet certain reasonable threshold requirements determined by the working group.
- Maximum individual project sizes may be capped at no less than 10 MW-ac and no greater than 20 MW-ac. Minimum project size recommendations may be proposed for consideration.
- The term of the tariff providing for bill credits shall last for the life of each community project.
- Renewable Energy Credits value, transfer, and ownership may be considered.
- The program may consider industry accepted installation methods including ground-mount, rooftop, and car port or "canopy" projects.
- The program shall consider whether rules applicable to electric public service corporations should also apply to third-party operators, including disconnection rules, customer communications, safety, and reliability.
- The program shall consider the impacts of the program on all customers and the grid.
- The program may consider the minimum subscription for each project.
- Simplicity in program design shall be a priority.
- Customers with onsite generation may be allowed to participate.
- Subscribers may retain their subscriptions if they move within APS service territory.
- Provide notification to municipal authorities and school districts within APS territory introducing the program and guidance for how the program can be used to help municipalities reach sustainability goals.

The working group may recommend any additional attributes and may recommend adjustment or elimination of any aforementioned attribute by docketing explanation for the recommended change. Each working group member is invited to individually docket recommendations in the event consensus is not reached.

IT IS FURTHER ORDERED that the working group members shall, among other things, assist Staff in estimating the costs and benefits of the program, the level to which certain percentages of project capacity should be reserved for the allowed participating customer classes, how low-income participation will be prioritized, how subscription rates will be determined, how bill credits will be applied, how to utilize the hosting capacity map to maximize systemwide benefits, how projects may provide additional ancillary services to the grid, establish the parameters of any APS tariff implementing the program, and file updates to the docket every month beginning in June 2022. Staff may schedule a workshop(s) in place of any required update.”

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IT IS FURTHER ORDERED that all materials, evidence, documentation, activities, reporting and compliance requirements, and Staff's proposed order related to the community solar working group shall be filed in the docket "In the Matter of Establishing a Commission Policy for the Development and Integration of Competitive Community Solar and Community Energy Storage Projects in Arizona," E-00000A-22-0103 ("Generic Community Solar Docket"). If the Generic Community Solar Docket results in the adoption of a community solar program, APS shall file an application, in this docket, requesting implementation of a community solar program consistent with the decision in the Generic Community Solar Docket. The Commission shall hold open this docket for a period of 12 months after the effective date of the decision herein for APS to file a such a request.

**\*\*\*Make all conforming changes.**

<b>THIS AMENDMENT:</b>		
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